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Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

Second performance report of the International Tribunal for the Former Yugoslavia for the biennium 2004-2005

Report of the Secretary-General*

Summary

The second performance report of the International Tribunal for the Former Yugoslavia for the biennium 2004-2005 is submitted pursuant to General Assembly resolution 59/274 of 23 December 2004. The report reflects a net reduction of $21,962,900 in the overall resource requirement, as compared to the revised appropriation for the biennium 2004-2005. The overall reduction is attributable to the measures introduced in 2004 in response to the cash flow situation and the efficiencies of the lump sum system for defence counsel, which has yielded lower costs per detainee.

The General Assembly is requested to revise the appropriation to the Special Account for the International Tribunal for the Former Yugoslavia for the biennium 2004-2005 to $308,305,200 gross ($276,474,100 net).

* The report is being issued at the present time in order to reflect the latest data available following intensive consultations.

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I. Introduction

1. The General Assembly, by its resolution 59/274 of 23 December 2004, approved a revised appropriation for the biennium 2004-2005 in the amount of $329,317,900 gross ($298,437,000 net).

2. The activities of the International Tribunal for the Former Yugoslavia are predominantly trial-based and hence most of the requirements are linked to the pace of trial activities. In addition, the measures introduced in 2004 in response to the cash flow situation and the efficiencies of the lump sum system for defence counsel have resulted in overall reduced requirements for the biennium 2004-2005.

II. Explanation of the changes in net expenditure requirements

3. A net reduction in requirements of $21,962,900 is shown in tables 1 and 2 below. Table 1 reflects the changes by organ. Table 2 reflects the changes by object of expenditure.

Table 1
Summary of estimated final requirements by component and main determining factors
(Thousands of United States dollars)

		Projected changes				
Component	*Revised 2004-2005 appropriation*	*Rate of exchange*	*Inflation*	*Post incumbency and other changes*	*Total*	*Proposed 2004-2005 final appropriation*
Expenditure						
The Chambers	9 522.9	2 019.9	(0.6)	(232.5)	1 786.8	11 309.7
Office of the Prosecutor	96 188.2	1 317.9	(133.8)	(3 797.6)	(2 613.5)	93 574.7
Registry	223 790.8	3 495.0	(756.3)	(23 108.7)	(20 370.0)	203 420.8
Total expenditures (gross)	**329 501.9**	**6 832.8**	**(890.7)**	**(27 138.8)**	**(21 196.7)**	**308 305.2**
Income						
Staff assessment	30 880.9	175.6	28.5	513.6	717.7	31 598.6
Other income	184.0	—	—	48.5	48.5	232.5
Total requirements (net)	**298 437.0**	**6 657.2**	**(919.2)**	**(27 700.9)**	**(21 962.9)**	**276 474.1**

Table 2

Summary of projected expenditures by object of expenditure and main determining factors

(Thousands of United States dollars)

Object of expenditure	*Revised 2004-2005 appropriation*	*Projected changes*				*Proposed 2004-2005 final appropriation*
		Rate of exchange	*Inflation*	*Post incumbency and other changes*	*Total*	
Expenditure						
Posts	158 138.0	2 544.4	(884.7)	(1 528.5)	131.2	158 269.2
Other staff costs	28 229.7	475.2	(26.6)	(8 552.3)	(8 103.7)	20 126.0
Salaries and allowances of judges	9 328.4	2 019.1	(2.0)	(209.7)	1 807.4	11 135.8
Consultants and experts	713.3	12.3	(0.8)	(71.6)	(60.1)	653.2
Travel	8 551.9	—	80.3	(1 791.6)	(1 711.3)	6 840.6
Contractual services	58 408.9	989.1	(54.7)	(12 069.2)	(11 134.8)	47 274.1
General operating expenses	25 070.8	431.7	(23.1)	(2 941.5)	(2 532.9)	22 537.9
Hospitality	13.8	0.2	—	(0.2)	—	13.8
Supplies and materials	2 684.9	48.7	(2.2)	(525.9)	(479.4)	2 205.5
Furniture and equipment	6 820.5	128.8	(5.0)	(206.2)	(82.4)	6 738.1
Improvement of premises	452.0	7.7	(0.4)	251.0	258.3	710.3
Grants and contributions	208.8	—	—	(6.7)	(6.7)	202.1
Staff assessment	30 880.9	175.6	28.5	513.6	717.7	31 598.6
Total expenditures (gross)	**329 501.9**	**6 832.8**	**(890.7)**	**(27 138.8)**	**(21.196.7)**	**308 305.2**
Income						
Staff assessment	30 880.9	175.6	28.5	513.6	717.7	31 598.6
Other income	184.0	—	—	48.5	48.5	232.5
Total requirements (net)	**298 437.0**	**6 657.2**	**(919.2)**	**(27 700.9)**	**(21 962.9)**	**276 474.1**

A. Variations in budgetary assumptions

Rates of exchange and inflation (Increase: $5,738,000)

4. A net increase in the amount of $5,738,000 would be required to absorb the impact of changes in the exchange rates ($6,657,200), attributable mainly to the weakening of the dollar vis-à-vis the euro partly offset by reduced requirements for

inflation ($919,200). In the present report, in estimating the effect of exchange rate changes experienced in 2005, the realized exchange rates from January to November 2005, with the November rate applied to December, have been used. With regard to inflation, the adjustments are based on the latest information available on consumer price indices and adjustments resulting from differences in actual post adjustment indices for staff in the Professional category and above, and actual cost-of-living adjustments of salary scales for staff in the General Service and related categories compared with the assumptions made in the revised appropriations. Details of the budgetary assumptions used in arriving at the foregoing figures are outlined in annex I to the present report.

B. Other requirements

Chambers

Table 3
Projected expenditures by object of expenditure and main determining factors
(Thousands of United States dollars)

		Projected changes				
Object of expenditure	*Revised 2004-2005 appropriation*	*Rate of exchange*	*Inflation*	*Post incumbency and other changes*	*Total*	*Proposed 2004-2005 final appropriation*
Salaries and allowances of judges	9 328.4	2 019.1	(2.0)	(209.7)	1 807.4	11 135.8
Consultants and experts	41.3	0.8	(0.1)	(7.5)	(6.8)	34.5
Travel	153.2	—	1.5	(15.3)	(13.8)	139.4
Total requirements	**9 522.9**	**2 019.9**	**(0.6)**	**(232.5)**	**1 786.8**	**11 309.7**

Salaries and allowances of judges (Decrease: $209,700)

5. The reduced requirements relate to the lower requirements for common costs of judges, including travel on home leave, education allowance, pension benefits, relocation and installation costs ($441,600) partially offset by increased requirements for salaries of judges ($231,900). The increase under salaries of judges reflects the decision of the General Assembly in resolution 59/282 to increase the annual salary of the judges and ad litem judges of the Tribunals by 6.3 per cent effective 1 January 2005.

Consultants and experts (Decrease: $7,500)

6. The reduced requirement relates to lower than anticipated payments for travel and daily subsistence allowance for the services of three amici curiae.

Travel (Decrease: $15,300)

7. The reduced requirement is attributable to lower travel requirements of the President.

Office of the Prosecutor

Table 4
Projected expenditures by object of expenditure and main determining factors
(Thousands of United States dollars)

		Projected changes				
Object of expenditure	*Revised 2004-2005 appropriation*	*Rate of exchange*	*Inflation*	*Post incumbency and other changes*	*Total*	*Proposed 2004-2005 final appropriation*
Expenditure						
Posts	64 469.2	1 013.9	(192.2)	(213.3)	608.4	65 077.6
Other staff costs	14 716.6	247.8	(13.9)	(2 590.6)	(2 356.7)	12 359.9
Consultants and experts	416.1	7.1	(0.5)	(59.9)	(53.3)	362.8
Travel	3 792.4	—	32.9	(880.2)	(847.3)	2 945.1
Contractual services	135.1	2.3	(0.1)	(48.0)	(45.8)	89.3
Staff assessment	12 658.8	46.8	40.0	(5.6)	81.2	12 740.0
Total expenditures (gross)	**96 188.2**	**1 317.9**	**(133.8)**	**(3 797.6)**	**(2 613.5)**	**93 574.7**
Income						
Staff assessment	12 658.8	46.8	40.0	(5.6)	81.2	12 740.0
Total requirements (net)	**83 529.4**	**1 271.1**	**(173.8)**	**(3 792.0)**	**(2 694.7)**	**80 834.7**

Posts (Decrease: $213,300)

8. The overall decrease under the category of posts relates to reduced requirements for salary costs ($27,900) and common staff costs ($185,400), attributable to higher than budgeted vacancy rates for the biennium 2004-2005. The decrease in common staff costs is also partly due to the realized costs, which are lower than the budgeted rate.

9. The overall decrease in post requirements is also reflected in reduced requirements under staff assessment offset by an equal amount recorded under income from staff assessment.

Other staff costs (Decrease: $2,590,600)

10. The overall decrease is mainly comprised of reduced requirements under mission subsistence allowance ($556,900) and general temporary assistance ($2,033,700). Decreased requirement under mission subsistence allowance is attributable to the lower than anticipated number of personnel stationed in the field. Reduced requirements under general temporary assistance is attributable to the hiring freeze in place during most of 2004, owing to the financial situation of the Tribunals, which prevented the recruitment of staff against positions funded from such resources to provide support for activities related to trial work, document translation, and research and analysis of documentation.

Consultants and experts (Decrease: $59,900)

11. Reduced requirements under this heading are due to lower than anticipated requirements in the number of expert witnesses engaged by the Office of the Prosecutor both prior to trial and during the trial phase.

Travel (Decrease: $880,200)

12. The decrease in requirements is partly due to the reduction in the number of investigations missions and partly to more efficient management of travel resources in the Investigations Division. As a result of the completion of all pre-indictment investigations in December 2004, there were no more missions to support the preparation of indictments. Moreover, management of travel resources continued to improve. Senior management increased scrutiny and assessment of each mission, which led to less travel, shorter missions and increased reliance on personnel stationed in the field.

Contractual services (Decrease: $48,000)

13. The reduction reflects the actual requirements during the biennium for training.

Registry

Table 5

Projected expenditures by object of expenditure and main determining factors

(Thousands of United States dollars)

		Projected changes				
Object of expenditure	*Revised 2004-2005 appropriation*	*Rate of exchange*	*Inflation*	*Post incumbency and other changes*	*Total*	*Proposed 2004-2005 final appropriation*
Expenditure						
Posts	93 668.8	1 530.5	(692.5)	(1 315.2)	(477.2)	93 191.6
Other staff costs	13 513.1	227.4	(12.7)	(5 961.7)	(5 747.0)	7 766.1
Consultants and experts	255.9	4.4	(0.2)	(4.2)	—	255.9
Travel	4 606.3	—	45.9	(896.1)	(850.2)	3 756.1
Contractual services	58 273.8	986.8	(54.6)	(12 021.2)	(11 089.0)	47 184.8
General operating expenses	25 070.8	431.7	(23.1)	(2 941.5)	(2 532.9)	22 537.9
Hospitality	13.8	0.2	—	(0.2)	—	13.8
Supplies and materials	2 684.9	48.7	(2.2)	(525.9)	(479.4)	2 205.5
Furniture and equipment	6 820.5	128.8	(5.0)	(206.2)	(82.4)	6 738.1
Improvement of premises	452.0	7.7	(0.4)	251.0	258.3	710.3

Object of expenditure	Revised 2004-2005 appropriation	Projected changes: Rate of exchange	Projected changes: Inflation	Projected changes: Post incumbency and other changes	Projected changes: Total	Proposed 2004-2005 final appropriation
Grants and contributions	208.8	—	—	(6.7)	(6.7)	202.1
Staff assessment	18 222.1	128.8	(11.5)	519.2	636.5	18 858.6
Total expenditures (gross)	**223 790.8**	**3 495.0**	**(756.3)**	**(23 188.7)**	**(20 370.0)**	**203 420.8**
Income						
Staff assessment	18 222.1	128.8	(11.5)	519.2	636.5	18 858.6
Other income	184.0	—	—	48.5	48.5	232.5
Total requirements (net)	**205 384.7**	**3 366.2**	**(744.8)**	**(23 676.4)**	**(21 055.0)**	**184 329.7**

Posts (Decrease: $1,315,200)

14. The net decrease under this heading relates to reduced requirement for common staff costs ($3,572,400) partly offset by increase for salary costs ($2,257,200). The increase under salary costs is due to the lower-than-budgeted vacancy rates for the biennium 2004-2005. With respect to the reduced requirement under common staff costs, the realized costs reflect lower-than-budgeted common staff costs rate.

15. The overall increase in post requirements is also reflected in increased requirements under staff assessment offset by an equal amount recorded under income from staff assessment.

Other staff costs (Decrease: $5,961,700)

16. The net reduction is attributable to lower requirements under interpretation ($3,099,000), translation ($1,362,500), general temporary assistance ($1,011,200), overtime ($348,900) and mission subsistence allowance ($140,100). Reduced requirements under interpretation and translation are mainly attributable to lower than anticipated trial activity during the biennium, which resulted in lower requirements for temporary interpreters and translators in support of trials. A lower requirement under general temporary assistance is the result of the hiring freeze that was in place during most of 2004 and the low pace of trial activity. Reductions under overtime were achieved as a result of continuous and rigorous monitoring of requests for overtime, whereas savings under mission subsistence allowance are attributable to the lower than anticipated number of personnel stationed in the field.

Travel (Decrease: $896,100)

17. As a result of the lower than anticipated trial activity during the biennium 2004-2005, the number of witnesses and accompanying dependants expected to travel during the biennium is lower than that used in arriving at the 2004-2005 budget estimates.

Contractual services (Decrease: $12,021,200)

18. The overall reduction is composed of decreased requirements under the following: defence counsel ($9,795,900), attributable to the efficiencies of the lump sum system, which has yielded lower costs per detainee; verbatim reporting ($2,256,900), as a result of lower than anticipated trial activity; photo-visual materials ($245,300), owing to increasing reliance on the Office of the Prosecutor's Mapping and Photo Visual Unit capacity in lieu of outside sources; and other contractual services related to translation, external printing, data-processing services and other specialized services ($281,200). The reduction is partly offset by an increase in detention services ($558,100), attributable to the increase in overall costs following the move to a larger cell complex effective November 2005 and to higher cell rates during the biennium.

General operating expenses (Decrease: $2,941,500)

19. The reduction under this category relates to rental of premises ($624,500), rental of office equipment ($413,800), rental of vehicles ($75,900), communications ($922,800), maintenance of various equipments ($527,300) and other miscellaneous services ($377,200).

20. Decreased requirements under the category of rental of premises pertain to lower rental costs associated with the field offices and lower requirements under cleaning of premises. Due to renegotiation of the lease of photocopiers, reduced requirements have been realized under rental of office equipment. The decreased requirements in the rental of vehicles are attributable to strict controls implemented during the biennium for the utilization of car services to support the activities of the Transportation Unit. As a result of improved satellite communications and reduced field office communication charges, the Tribunal has realized substantial reductions under communications.

21. With respect to maintenance of equipment, the reduced requirements are mainly owing to lower maintenance costs for vehicles resulting from a reduction in the size of the vehicle fleet and lower usage of vehicles in the field as a result of the reduced number of investigation missions, and lower requirements for maintenance of communication and data-processing equipment. Reduction in miscellaneous services pertains to lower than anticipated requirements for insurance, bank charges and freight.

Supplies and materials (Decrease: $525,900)

22. The lower requirements are attributable to extensive use of digital archiving of documents, lower consumption of paper, lower than forecast costs for pass/ID consumables, lower consumption of spare parts and toner related to communications equipment, and decrease in vehicle usage as a result of the reduction in field missions to field locations, leading to lower consumption of gasoline.

Furniture and equipment (Decrease: $206,200)

23. The lower requirements reflect the postponement of the scheduled upgrading of certain software packages owing to the decision to defer the acquisition of goods and services in response to the cash flow situation facing the Tribunals and the

reduced requirement for communications equipment such as UHF two-way radio equipment and telephone sets.

Improvement of premises (Increase: $251,000)

24. The increase relates to the extensive remodeling of the existing three courtrooms, which will be required to accommodate the multiple accused cases scheduled for early December 2005.

III. Action to be taken by the General Assembly

25. **The General Assembly is requested to take note of the present report and revise the appropriation to the Special Account for the International Criminal Tribunal for the Former Yugoslavia for the biennium 2004-2005 to $308,305,200 gross ($276,474,100 net).**

Annex I

Budgetary assumptions

The following parameters were used in formulating the present proposed estimates for the final appropriation:

Budget parameters	*Estimates used for the revised appropriation*		*Proposed estimates for the final appropriation*	
	2004	*2005*	*2004*	*2005*
Rate of exchange (US$ 1: €)	0.82	0.82	0.81	0.80
Rate of inflation (percentage)	1.4	1.5	1.2	1.6
Post adjustment multiplier at The Hague (percentage)	44.3	45.0	45.4	46.3

Annex II

Trial activity during the biennium 2004-2005

1. For an extended period commencing 25 February 2004, when the prosecution finished its case, the Milošević case did not sit for a variety of reasons: the Chamber initially needed time to consider and rule on the 98 bis motion for acquittal, decided in mid-June 2004; the accused, who is representing himself, needed some time to organize his defence case for presentation; and significant health concerns on the part of the accused prevented the defence portion of the trial from commencing in June 2004, as originally scheduled. The Chamber imposed counsel on the accused in August 2004 in an effort to keep the case moving notwithstanding the ongoing health concerns. However, the accused did not cooperate with the imposed counsel and the case could not continue for lack of witnesses. The imposition of counsel was appealed and ultimately reversed in part by the Appeals Chamber. As a result, although there were a few weeks when the case sat with the imposed counsel acting on behalf of the accused, the defence did not begin in earnest until November 2004, on a three-day-a-week schedule that had been adopted to mitigate strain on the health of the accused. The case has continued, essentially without interruption, since November 2004 on that schedule.

2. The Brdanin case closed on 24 February 2004 and the judges, after a site visit to the crime scenes in the former Yugoslavia in March, and final arguments in April, were occupied with judgement writing until September 2004.

3. The Krajišnik case commenced in February 2004, despite concerns that the newly appointed defence team was having difficulty getting fully prepared for trial. Rather than start the case on a part-time basis, it was agreed that the case would sit full-time for the first four weeks, and then adjourn for six weeks before resuming to allow time for the defence to further prepare. After two weeks of trial, the Chamber granted another month of adjournment, comprising May 2004, to accommodate defence preparation needs, and another adjournment, comprising most of July 2004, for procedural reasons. The case was interrupted for the months of January and February 2005 because of the withdrawal of one of the judges, and the need for the newly appointed judge to review the entire record. It was further adjourned for two weeks in August 2005, while the Chamber considered the defence's 98 bis motion for acquittal, and then recessed for most of September at the request of the defence, on the understanding that that interruption would not delay the scheduled conclusion of the case; i.e., that the delay would simply come out of the time allotted to the defence to present its case. This trial will conclude in early spring 2006, with a judgement by the end of April 2006.

4. The Blagojević/Jokić case adjourned for six weeks, March to mid-April 2004, while the defence submitted and the Chamber considered and ruled on the 98 bis motion for acquittal; the case concluded in late July 2004, and the Trial Chamber was engaged with writing the judgement until January 2005.

5. The Strugar case adjourned for five weeks, in May and June 2004, while the defence submitted and the Chamber considered the 98 bis motion for acquittal. The case concluded with closing arguments in September 2004, and the Trial Chamber was engaged with writing the judgement until it commenced the Limaj case in November 2004. This Chamber was able to start Limaj while finishing the Strugar

judgement, delaying the judgement somewhat until the end of January 2005, but allowing the new case to start that much sooner.

6. The Hadžihasanović/Kubura case adjourned from late September until mid-October 2004, after the close of the prosecution case, while the defence submitted and the Chamber considered and ruled on the 98 bis motion for acquittal; trial concluded in May 2005, and after closing arguments in July, the Chamber was involved in judgement writing, expected to last until the end of 2005.

7. The Halilović case, which began in February 2005, was interrupted for almost two weeks in May 2005, while the judges of that Chamber heard a contempt case, and concluded in mid-July 2005; and after closing arguments in August, the Chamber was involved in judgement writing, expected to last until the end of 2005.

8. The Orić case, which started in October 2004, was interrupted for two weeks in November 2004 due to the absence of judges; the case adjourned for three weeks in June 2005, while the Chamber considered and ruled on the defence's 98 bis motion for acquittal; and for two weeks in September 2005 owing to the unavailability of witnesses.

9. The Limaj case adjourned for three weeks in June 2005, while awaiting the delayed testimony of an expert witness and for the preparation of final briefs; trial concluded with closing arguments in August 2005, and the Trial Chamber was engaged with writing the judgement until it commenced the Mrkšić case in October 2005; this Chamber was able to start Mrkšić while still finishing the Limaj judgement, delaying the judgement somewhat, but allowing the new case to start that much sooner.

10. Finally, the preparation of judgements in connection with cases scheduled for completion during the biennium required considerable work outside of the courtrooms.

11. There was no trial activity for three weeks in August 2004 or for a similar period in 2005 because the court was in recess. The Tribunal was also in recess for three weeks, from late December 2004 to early January 2005, and a similar recess is anticipated at the end of 2005.

Annex III

Voluntary contributions and trust fund activities

1. The General Assembly, in its resolutions 49/242 B of 20 July 1995 and 53/212 of 18 December 1998, invited Member States and other interested parties to make voluntary contributions to the International Tribunal for the Former Yugoslavia that were acceptable to the Secretary-General. As at 31 October 2005, cash donations of approximately $42 million had been received for the Voluntary Fund to support the activities of the Tribunal. Furthermore, pledges amounting to $816,600 have been received. For the period from 1 January 2004 to 31 October 2005, the Tribunal received $1,856,400 in voluntary cash contributions.

2. Voluntary contributions have been utilized for activities related to supporting the Tribunal's prosecution and investigation activities, such as the arrest initiative, investigations in Macedonia, prosecution support and the review of cases through the "Rules of the road" project. Contributions have also assisted the Registry through support of victims and witnesses, the Outreach Programme, continued development of the Tribunal's library and support to inter-Tribunal cooperation activities. The status of voluntary cash contributions and cash pledges to support the activities of the Tribunal, as at 31 October 2005, is as follows:

Cash contributions to the Voluntary Fund, by contributor, as at 31 October 2005

(Thousands of United States dollars)

Contributions from inception to 31 December 2003	40 255.7
Contributions from 1 January 2004 to 31 October 2005	
Canada	186.3
European Commission	1 108.2
Germany	24.9
Netherlands	12.5
City of Rotterdam	2.4
Switzerland	453.7
United Kingdom of Great Britain and Northern Ireland	91.7
Refunds	(23.3)
Subtotal	1 856.4
Total	**42 112.1**

Cash pledges to the Voluntary Fund, by contributor, as at 31 October 2005

(Thousands of United States dollars)

European Commission	Balance (2001 grant)	110.7
European Commission	Balance (2004 grant)	203.6
European Commission	New grant (2005)	500.0
German Bar Association	Library	2.3
Total		**816.6**

Projected expenditures by object of expenditure

(Thousands of United States dollars)

	2004-2005 estimates	*Revised 2004-2005 estimates*	*Increase/ (decrease)*
Temporary posts	1 480.0	1 526.6	46.6
Other staff costs	4 000.4	3 953.8	(46.6)
Consultants and experts	6.2	16.1	9.9
Travel	415.0	590.1	175.1
Contractual services	44.5	50.4	5.9
General operating expenses	17.8	47.8	30.0
Supplies and materials	57.5	37.7	(19.8)
Furniture and equipment	9.0	34.2	25.2
Total	**6 030.4**	**6 256.7**	**226.3**

3. The increase in the revised requirements relates to higher than forecasted voluntary contributions in support of extrabudgetary activities, mainly in relation to International Tribunal for the Former Yugoslavia-International Criminal Tribunal for Rwanda inter-Tribunal cooperation, including the Special Court for Sierra Leone.